

**SURREBUTTAL TESTIMONY AND EXHIBITS OF
DANIEL F. SULLIVAN
ON BEHALF OF
THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF
DOCKET NO. 2020-125-E**

**IN RE: APPLICATION OF DOMINION ENERGY SOUTH CAROLINA,
INCORPORATED FOR ADJUSTMENT OF RATES AND CHARGES**

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

A. My name is Daniel F. Sullivan. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina, 29201. I am employed by the State of South Carolina as the Director of the Audit Department for the Office of Regulatory Staff (“ORS”).

Q. DID YOU FILE DIRECT TESTIMONY RELATED TO THIS PROCEEDING?

A. Yes. I filed direct testimony and eight (8) exhibits with the Public Service Commission of South Carolina (“Commission”) on November 10, 2020.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS PROCEEDING?

A. The purpose of my surrebuttal testimony is to update my direct testimony exhibits through Surrebuttal Exhibit DFS-1 through DFS-8 to reflect the recommendations of ORS witness Briseno in his surrebuttal testimony and discuss Surrebuttal Exhibit DFS-9 which is included for Commission consideration.

Q. PLEASE IDENTIFY THE EXHIBITS ATTACHED TO YOUR SURREBUTTAL TESTIMONY.

A. I have attached the following exhibits to my surrebuttal testimony relating to the

total Company per books and retail per books:

- Surrebuttal Exhibit DFS-1: Operating Experience, Rate Base and Rate of Return
- Surrebuttal Exhibit DFS-2: Explanation of Accounting and Pro Forma Adjustments – Retail Electric
- Surrebuttal Exhibit DFS-3: Statement of Fixed Assets - Electric
- Surrebuttal Exhibit DFS-4: Statement of Depreciation Reserves – Electric
- Surrebuttal Exhibit DFS-5: Materials and Supplies - Electric
- Surrebuttal Exhibit DFS-6: Deferred Debits and Credits - Electric
- Surrebuttal Exhibit DFS-7: Working Capital Investment - Electric
- Surrebuttal Exhibit DFS-8: Weighted Cost of Capital

These exhibits were either prepared by me, or under my direction and supervision, in compliance with Commission recognized accounting and regulatory procedures for electric utility rate cases. These exhibits show various aspects of Dominion Energy South Carolina, Incorporated's ("Company") operations and financial position.

Also, attached to my surrebuttal testimony is:

- Surrebuttal Exhibit DFS-9: Office of Regulatory Staff's Eighth and Continuing Request for Books, Records and Other Information – Second Supplemental Response No. 8-6

Q. PLEASE DISCUSS SURREBUTTAL EXHIBIT DFS-9 AND ITS CONTENTS.

A. Surrebuttal Exhibit DFS-9 is an excerpt of the Company's Second Supplemental Response No. 8-6 which was provided by the Company to ORS in response to ORS's Eighth and Continuing Request for Books, Records and Other Information ("ORS Request") 8-6. The purpose of ORS Request 8-6 was to request the Company to identify the adjustments in

its Application it was updating and provide the workpapers to support the updated amounts. The Second Supplemental Response No. 8-6 superseded the Company's original Response No. 8-6 and the Company's Supplemental Response No. 8-6.

The Company's Second Supplemental Response No. 8-6 included an excel workbook titled "Supp Supp Pro Formas Rev w Updates Post Set 11" that contained over forty-five (45) tabs to support the Company's updated pro forma adjustments. The tab titled "Summary Retail Updated" is the worksheet included as Surrebuttal Exhibit DFS-9 pages 2 and 3. This worksheet summarizes the Company's updated adjustments for retail electric operations. The contents of this worksheet were linked to the other tabs within the workbook that contained the workpapers to support the Company's updated pro forma adjustments. The Company highlighted the adjustments on the worksheet in yellow to indicate the adjustments updated through the Company's responses to ORS Request No. 8-6. The adjustments shown on the worksheet were not truncated or rounded to the nearest thousand by the Company.

Q. WILL YOU UPDATE YOUR SURREBUTTAL TESTIMONY BASED ON INFORMATION THAT BECOMES AVAILABLE?

A. Yes. ORS fully reserves the right to revise its recommendations via supplemental testimony should new information become available not previously provided by the Company, or other sources, becomes available.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes, it does.

Dominion Energy South Carolina, Inc.
Operating Experience, Rate Base and Rate of Return
Total and Retail Electric
For the Test Year Ended December 31, 2019
Docket No. 2020-125-E

		(000's Omitted)					
		Total Electric	RETAIL ELECTRIC				
Line No.	Description	(1)	(2)	(3)	(4)	(5)	(6)
		Total Per Books	Retail Per Books	ORS Accounting & Pro Forma Adjustments	After ORS Accounting & Pro Forma Adjustments	ORS Proposed Adjustment	After Proposed Adjustment
1	<u>Operating Revenues</u>	\$ 1,526,706	\$ 1,475,939	\$ 591,432 (A)	\$ 2,067,371	\$ 11,336	\$ 2,078,707 (O)
2	<u>Operating Expenses:</u>						
3	O&M Expenses - Fuel	602,989	579,928	(12,152) (B)	567,776	-	567,776
4	O&M Expenses - Other	576,105	562,624	(11,875) (C)	550,749	-	550,749
5	Depreciation & Amortization	408,395	398,814	(111,803) (D)	287,011	-	287,011
6	Taxes Other Than Income	211,565	206,906	14,495 (E)	221,401	60 (P)	221,461
7	Total Income Taxes	(39,627)	(41,376)	76,162 (F)	34,786	2,814 (Q)	37,600
8	<u>Total Operating Expenses</u>	<u>\$ 1,759,427</u>	<u>\$ 1,706,896</u>	<u>\$ (45,173)</u>	<u>\$ 1,661,723</u>	<u>\$ 2,874</u>	<u>\$ 1,664,597</u>
9	<u>Operating Income</u>	\$ (232,721)	\$ (230,957)	\$ 636,605	\$ 405,648	\$ 8,462	\$ 414,110
10	Customer Growth	-	-	2,567 (G)	2,567	54 (R)	2,621
11	Interest on Customer Deposits	(1,385)	(1,385)	-	(1,385)	-	(1,385)
12	<u>Net Operating Income for Return</u>	<u>\$ (234,106)</u>	<u>\$ (232,342)</u>	<u>\$ 639,172</u>	<u>\$ 406,830</u>	<u>\$ 8,516</u>	<u>\$ 415,346</u>
13	<u>Rate Base:</u>						
14	Gross Plant in Service	\$ 11,060,113	\$ 10,833,342	\$ 190,041 (H)	\$ 11,023,383	\$ -	\$ 11,023,383
15	Accum. Depr. & Amort.	4,557,095	4,455,452	124,030 (I)	4,579,482	-	4,579,482
16	Net Plant in Service	6,503,018	6,377,890	66,011	6,443,901	-	6,443,901
17	Construction Work In Progress	277,697	270,243	61,546 (J)	331,789	-	331,789
18	Deferred Debits/Credits	(571,242)	(560,117)	93,009 (K)	(467,108)	-	(467,108)
19	Total Working Capital	(42,362)	(27,682)	34,307 (L)	6,625	-	6,625
20	Materials & Supplies	409,894	396,488	2,569 (M)	399,057	-	399,057
21	Accum. Deferred Income Taxes	(923,131)	(905,047)	(64,463) (N)	(969,510)	-	(969,510)
22	<u>Total Rate Base</u>	<u>\$ 5,653,874</u>	<u>\$ 5,551,775</u>	<u>\$ 192,979</u>	<u>\$ 5,744,754</u>	<u>\$ -</u>	<u>\$ 5,744,754</u>
23	<u>Rate of Return</u>	<u>-4.14%</u>	<u>-4.19%</u>		<u>7.08%</u>		<u>7.23%</u>
24	<u>Return on Common Equity</u>		<u>-13.49%</u>		<u>8.60%</u>		<u>8.90%</u>

Dominion Energy South Carolina, Inc.
Explanation of Accounting and Pro Forma Adjustments - Retail Electric
For the Test Year Ended December 31, 2019
Docket No. 2020-125-E
(000's Omitted)

Adj. No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Description	Revenues	O & M Expenses Fuel	O & M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	State Income Taxes @ 5%	Federal Income Taxes @ 21%	Cust. Growth	Plant in Service	Accum. Deprec. and Amort.	CWIP	Deferred DBT/CRDT	Working Capital	Materials & Supplies	ADDITIONAL
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Annualize Wages, Benefits & Payroll Taxes															
	Per ORS			(1,802)		(127)	96	385							(225)	
	Per Company			(1,223)		(86)	65	261							(153)	
2	Incentive Compensation Adjustment															
	Per ORS			(6,740)		(485)	361	1,442							(843)	
	Per Company			(1,224)		(106)	66	265							(153)	
3	Annualized Health Care															
	Per ORS			(543)			27	108							(68)	
	Per Company			3,054			(153)	(609)							382	
4	Remove Employee Clubs Investment and Expenses															
	Per ORS				(134)		7	27		(5,487)	(2,436)					
	Per Company				(134)		7	27		(5,487)	(2,436)					
5	Annualize Depreciation Based on Current Rates															
	Per ORS				10,966		(548)	(2,188)			10,986					
	Per Company				8,153		(408)	(1,627)			7,675					
6	Depreciation Study															
	Per ORS				(11,703)		585	2,335			(11,703)					
	Per Company				6,985		(349)	(1,393)			6,985					
7	Annualize Property Taxes															
	Per ORS					1,303	(65)	(260)								
	Per Company					13,964	(698)	(2,786)								
8	Annualize Insurance Expense															
	Per ORS			(1,734)			87	346							(217)	
	Per Company			(1,734)			87	346							(217)	
9	Capital Cost Rider Adjustment															
	Per ORS	624,526			(126,923)	3,116	37,417	101,197		(2,605)	(1,214)					
	Per Company	624,526			(126,923)	3,116	37,417	101,197		(2,605)	(1,214)					
10	Remove Amounts Associated with DSM															
	Per ORS	(31,722)		(13,318)		(158)	(912)	(3,640)							(1,665)	
	Per Company	(31,722)		(13,318)		(158)	(912)	(3,640)							(1,665)	

Dominion Energy South Carolina, Inc.
Explanation of Accounting and Pro Forma Adjustments - Retail Electric
For the Test Year Ended December 31, 2019
Docket No. 2020-125-E
(000's Omitted)

Adj. No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Description	Revenues	O & M Expenses Fuel	O & M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	State Income Taxes @ 5%	Federal Income Taxes @ 21%	Cust. Growth	Plant in Service	Accum. Deprec. and Amort.	CWIP	Deferred DBT/CRDT	Working Capital	Materials & Supplies	ADDITIONAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
11 Annualize Other Post-Employment Benefits (OPEB)															
Per ORS			134			(7)	(27)					(100)	17		
Per Company			258			(13)	(51)					(194)	32		
12 Adjust Fuel Inventory															
Per ORS						0	0							(3,012)	
Per Company						0	0							(3,012)	
13 To Remove SRS Refund Reversal Impact From Revenue															
Per ORS	(870)				(4)	(43)	(173)								
Per Company	(870)				(4)	(43)	(173)								
14 Normalize Test Year Purchase Power From GENCO															
Per ORS		(12,152)				608	2,424								
Per Company		(12,152)				608	2,424								
15 GENCO Excess Deferred Income Taxes															
Per ORS			0	(1,311)		66	261					(1,968)			
Per Company			(1,798)	0		90	359					(2,698)			
16 Voluntary Retirement Program															
Per ORS			(2,155)		(132)	114	456						(269)		
Per Company			(3,303)		(203)	175	700						(413)		
17 Dominion Energy Services Expense															
Per ORS			8,080			(404)	(1,612)						1,010		
Per Company			8,944			(447)	(1,784)						1,118		
18 Synergy Savings															
Per ORS			(823)			41	164						(103)		
Per Company			(773)			39	154						(97)		
19 Storm Remediation Cost Deferral															
Per ORS			0	4,390		(220)	(876)					29,652	0		
Per Company			8,780	0		(439)	(1,752)					26,357	1,097		
20 Storm Damage Remediation Rider															
Per ORS			5,000			(250)	(998)					(3,753)	625		
Per Company			9,840			(492)	(1,963)					(7,385)	1,230		

Dominion Energy South Carolina, Inc.
Explanation of Accounting and Pro Forma Adjustments - Retail Electric
For the Test Year Ended December 31, 2019
Docket No. 2020-125-E
(000's Omitted)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
Adj. No.	Description	Revenues	O & M Expenses Fuel	O & M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	State Income Taxes @ 5%	Federal Income Taxes @ 21%	Cust. Growth	Plant in Service	Accum. Deprec. and Amort.	CWIP	Deferred DBT/CRDT	Working Capital	Materials & Supplies	ADDITIONAL
21	Tree Trimming and Vegetation Management	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Accrual															
	Per ORS			3,786			(189)	(755)						473		
	Per Company			3,519			(176)	(702)						440		
22	Turbine Major Maintenance Accrual															
	Per ORS			10,295			(515)	(2,054)						1,287		
	Per Company			10,295			(515)	(2,054)						1,287		
23	VCS Outage Accrual															
	Per ORS			(400)			20	80						(50)		
	Per Company			69			(3)	(14)						9		
24	Deferred Transmission															
	Per ORS				10,855	10,739	(1,080)	(4,308)					33,143			
	Per Company				13,167	10,739	(1,195)	(4,769)					46,086			
25	Adjust Test Year Taxes															
	Per ORS						0	(39,558)								(9,410)
	Per Company						0	(39,558)								(9,410)
26	Tax Reform Refund															
	Per ORS				(485)		24	97					(729)			
	Per Company				(489)		24	98					(734)			
27	Amortize Capacity Purchases															
	Per ORS			(10,760)	690		503	2,009					1,036			
	Per Company			(10,070)	0		503	2,009					1,036			
28	Environmental Compliance Study															
	Per ORS			(92)			5	18								
	Per Company			(92)			5	18								
29	KapStone Gain															
	Per ORS				(473)		24	94					(355)			
	Per Company				(473)		24	94					(355)			
30	Critical Infrastructure Protection Costs Deferral															
	Per ORS			0	2,272		(114)	(453)					15,347	0		
	Per Company			4,234	526		(238)	(950)					14,290	529		

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Dominion Energy South Carolina, Inc.
Explanation of Accounting and Pro Forma Adjustments - Retail Electric
For the Test Year Ended December 31, 2019
Docket No. 2020-125-E
(000's Omitted)

Adj. No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
			O & M Expenses Fuel	O & M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	State Income Taxes @ 5%	Federal Income Taxes @ 21%	Cust. Growth	Plant in Service	Accum. Deprec. and Amort.	CWIP	Deferred DBT/CRDT	Working Capital	Materials & Supplies	ADDITIONAL
	Description	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
31	Fukushima Nuclear Regulatory Commission Requirements Deferral															
	Per ORS			0	436			(22)	(87)				2,947	0		
	Per Company			436	0			(22)	(87)				2,947	55		
32	VCS Cyber Security Deferral															
	Per ORS			0	823			(41)	(164)				5,558	0		
	Per Company			1,116	556			(84)	(334)				5,020	140		
33	Facility Charge															
	Per ORS	(502)				(3)	(25)	(100)								
	Per Company	(502)				0	(25)	(100)								
34	Amortization of Columbia & Charleston Franchise Agreements															
	Per ORS				(4,097)		205	817								
	Per Company				(4,097)		205	817								
35	Unrecovered Plant Amortization															
	Per ORS				385		(19)	(77)					1,156			
	Per Company				385		(19)	(77)					1,156			
36	Advanced Metering Infrastructure															
	Per ORS				2,661	305	(148)	(592)		0	0		447			
	Per Company				2,334	592	(146)	(584)		18,727	2,155		537			
37	Local Business Offices															
	Per ORS			(413)	(155)		28	113		(1,542)				(52)		
	Per Company			(413)	(155)		28	113		(1,542)				(52)		
38	Rate Case Expenses															
	Per ORS			180			(9)	(36)						23		
	Per Company			296			(15)	(59)						37		
39	PSC Support Fees															
	Per ORS					0	0	0								
	Per Company					(1,745)	87	348								
40	Projected Capital Spend															
	Per ORS						0	0		199,675	128,397	62,568	10,628	34,435	5,581	(55,049)
	Per Company						0	0		35,584	190,581	281,539	2,839	15,620	3,728	(9,304)

Dominion Energy South Carolina, Inc.
Explanation of Accounting and Pro Forma Adjustments - Retail Electric
For the Test Year Ended December 31, 2019
Docket No. 2020-125-E
(000's Omitted)

Adj. No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Description	Revenues	O & M Expenses Fuel	O & M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	State Income Taxes @ 5%	Federal Income Taxes @ 21%	Cust. Growth	Plant in Service	Accum. Deprec. and Amort.	CWIP	Deferred DBT/CRDT	Working Capital	Materials & Supplies	ADDITIONAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
41 Tax Effect of Annualized Interest															
Per ORS						380	1,517								
Per Company						(320)	(1,278)								
42 Remove Certain Expenses															
Per ORS			(570)		(59)	31	126				(1,022)		(71)		
Per Company			0		0	0	0				0		0		
43 Customer Growth															
Per ORS						0	0	2,567							
Per Company						0	0	1,151							
44 Return of Unprotected Property EDIT															
Per ORS						0	(15,914)								
Per Company						0	0								
Total Adjustments Per ORS	591,432	(12,152)	(11,875)	(111,803)	14,495	36,018	40,144	2,567	190,041	124,030	61,546	93,009	34,307	2,569	(64,833)
Total Adjustments Per Company	591,432	(12,152)	16,893	(100,165)	26,109	32,718	42,886	1,151	44,677	203,746	281,539	88,902	19,226	716	(18,744)
	(A)	(B)	(C)	(D)	(E)			(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)

Total Income Taxes Per ORS \$ 76,162
Total Income Taxes Per Company \$ 75,604
(F)

Proposed Adjustment

45 Adjust Revenue, Taxes & Customer Growth															
Per ORS	11,336				60	564	2,250	54							
Per Company	178,234				893	8,867	35,380	433							
Total Adjustments Per ORS	11,336	0	0	0	60	564	2,250	54	0	0	0	0	0	0	0
Total Adjustments Per Company	178,234	0	0	0	893	8,867	35,380	433	0	0	0	0	0	0	0
	(O)				(P)			(R)							

Total Income Taxes Per ORS \$ 2,814
Total Income Taxes Per Company \$ 44,247
(Q)

Dominion Energy South Carolina, Inc.
Statement of Fixed Assets - Electric
For the Test Year Ended December 31, 2019
Docket No. 2020-125-E

		(000's Omitted)			
		Total Electric	Retail Electric		
		(1)	(2)	(3)	(4)
				ORS	After ORS
Line		Total	Retail	Accounting &	Accounting
No.	Description	Per Books	Per Books	Pro Forma	& Pro Forma
				Adjustments	Adjustments
		(\$)	(\$)	(\$)	(\$)
<u>Gross Plant in Service</u>					
1	Intangible Plant	83,296	81,588	493	82,081
2	Production	5,043,689	4,890,664	66,107	4,956,771
3	Transmission	1,904,740	1,844,363	18,521	1,862,884
4	Distribution	3,509,310	3,508,292	94,970	3,603,262
5	General	201,907	197,767	10,098	207,865
6	Common	317,171	310,668	(148)	310,520
7	Total Gross Plant in Service	11,060,113	10,833,342	190,041	11,023,383
<u>Construction Work in Progress</u>					
8	Production	165,013	160,007	713	160,720
9	Transmission	70,414	68,182	35,833	104,015
10	Distribution	32,201	32,192	(2,873)	29,319
11	General and Intangible	6,237	6,109	7,688	13,797
12	Common	3,832	3,753	20,185	23,938
13	Total Construction Work in Progress	277,697	270,243	61,546	331,789

Dominion Energy South Carolina, Inc.
Statement of Depreciation Reserves - Electric
For the Test Year Ended December 31, 2019
Docket No. 2020-125-E

(000's Omitted)

Line No.	Description	Total Electric	Retail Electric		
		(1)	(2)	(3) ORS Accounting & Pro Forma Adjustments	(4) After ORS Accounting & Pro Forma Adjustments
		Total Per Books (\$)	Retail Per Books (\$)	Pro Forma Adjustments (\$)	Pro Forma Adjustments (\$)
1	Production	2,640,512	2,560,399	36,879	2,597,278
2	Transmission	464,200	449,401	25,627	475,028
3	Distribution	1,140,496	1,140,159	50,030	1,190,189
4	General & Intangible Plant	155,944	152,747	5,692	158,439
5	Common	155,943	152,746	5,802	158,548
6	Total	4,557,095	4,455,452	124,030	4,579,482

Dominion Energy South Carolina, Inc.
Materials and Supplies - Electric
For the Test Year Ended December 31, 2019
Docket No. 2020-125-E

		(000's Omitted)			
Line No.	Description	Total Electric	Retail Electric		
		(1)	(2)	(3) ORS Accounting & Pro Forma Adjustments	(4) After ORS Accounting & Pro Forma Adjustments
		Total Per Books (\$)	Retail Per Books (\$)	(\$)	(\$)
1	Nuclear	194,481	186,869	7,252	194,121
2	Fossil	61,954	59,529	(6,893)	52,636
3	Total Fuel Stock	256,435	246,398	359	246,757
4	Emission Allowances	627	608	-	608
5	Other Electric Materials and Supplies	152,832	149,482	2,210	151,692
6	Total	409,894	396,488	2,569	399,057

Dominion Energy South Carolina, Inc.
Deferred Debits and Credits - Electric
For the Test Year Ended December 31, 2019
Docket No. 2020-125-E

		(000's Omitted)			
		Total Electric	Retail Electric		
(1)		(1)	(2)	(3)	(4)
				ORS	After ORS
Line No.	Description	Total Per Books	Retail Per Books	Accounting & Pro Forma Adjustments	Accounting & Pro Forma Adjustments
		(\$)	(\$)	(\$)	(\$)
1	Other Post Employment Benefit	(122,254)	(119,441)	(645)	(120,086)
2	Deferred Environmental Costs	(450)	(445)	-	(445)
3	Tax Deferrals	(562,441)	(550,909)	17,903	(533,006)
4	Wateree Scrubber Deferral	16,489	15,989	(580)	15,409
5	Plant Retirements	60,836	58,990	(3,902)	55,088
6	Pension Deferral	36,578	35,699	(1,092)	34,607
7	Genco Excess Deferred Income Taxes	-	-	(1,968)	(1,968)
8	Deferred Transmission	-	-	33,143	33,143
9	Amortize Capacity Purchases	-	-	1,036	1,036
10	Kapstone Gain	-	-	(355)	(355)
11	Advanced Metering Infrastructure	-	-	447	447
12	VSC Cyber Security Deferral	-	-	5,558	5,558
13	Fukushima Nuclear Regulatory Commission Requirements Deferral	-	-	2,947	2,947
14	Critical Infrastructure Protection Costs Deferral	-	-	15,347	15,347
15	Tax Reform Refund	-	-	(729)	(729)
16	Storm Remediation Deferral	-	-	29,652	29,652
17	Storm Remediation Rider	-	-	(3,753)	(3,753)
18	Total	(571,242)	(560,117)	93,009	(467,108)

Dominion Energy South Carolina, Inc.
Working Capital Investment - Electric
For the Test Year Ended December 31, 2019
Docket No. 2020-125-E

		(000's Omitted)			
		Total Electric	Retail Electric		
		(1)	(2)	(3)	(4)
				ORS	After ORS
Line	Description	Total	Retail	Accounting &	Accounting
No.		Per Books	Per Books	Pro Forma	& Pro Forma
		(\$)	(\$)	Adjustments	Adjustments
1	Working Cash	111,072	107,818	(128)	107,690
2	Add Prepayments	59,874	59,742	9,904	69,646
3	Total Investor Advanced Funds	170,946	167,560	9,776	177,336
4	Less: Customer Deposits	(52,440)	(52,440)	1,639	(50,801)
5	Less: Average Tax Accruals	(145,045)	(127,453)	16,451	(111,002)
6	Less: Nuclear Refueling Cycle	(8,049)	(7,734)	6,929	(805)
7	Less: Injuries and Damages	(7,774)	(7,615)	(488)	(8,103)
8	Total Working Capital Investment	(42,362)	(27,682)	34,307	6,625

Dominion Energy South Carolina, Inc.
Weighted Cost of Capital
Retail Electric Operations
For the Test Year Ended December 31, 2019
Docket No. 2020-125-E

(000's Omitted)															
Description	Capital Structure	Company Calculated Ratio	ORS Pro Forma Ratio	Company Retail Per Books				After ORS Accounting & Pro Forma Adjustments				After ORS Proposed Adjustment			
				Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return	Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return	Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return
Long-Term Debt	\$ 3,355,787	46.65%	50.00%	\$ 2,589,903	6.46%	3.01%	\$ 167,308	\$ 2,872,377	5.56%	2.78%	\$ 159,704	\$ 2,872,377	5.56%	2.78%	\$ 159,704
Preferred Stock	100	0.00%	0.00%	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-
Common Equity	3,837,420	53.35%	50.00%	2,961,872	-13.49%	-7.20%	(399,650)	2,872,377	8.60%	4.30%	247,126	2,872,377	8.90%	4.45%	255,642
Totals	\$ 7,193,307	100.00%	100.00%	\$ 5,551,775		-4.19%	\$ (232,342)	\$ 5,744,754		7.08%	\$ 406,830	\$ 5,744,754		7.23%	\$ 415,346

**DOMINION ENERGY SOUTH CAROLINA, INC.
OFFICE OF REGULATORY STAFF'S EIGHTH AND CONTINUING REQUEST
FOR BOOKS, RECORDS AND OTHER INFORMATION
DOCKET NO. 2020-125-E**

REQUEST NO. 8-6:

Please identify all adjustments that the Company is updating through September 2020, provide the updated workpapers for those adjustments similar to those provided in response to ORS Request 1-5, and provide any other support for the changes. Adjustments to be updated should include, but are not limited to, deferrals, accruals, projected capital spend (plant/cwip/rate base items), depreciation, and property taxes.

RESPONSE NO. 8-6:

Please see the attached file "8-6 Pro-Formas Rev w Updates" for a detailed listing of the updates made. Each adjustment is itemized on its corresponding spreadsheet tab and supporting documentation is referenced. A summary of the adjustments can be seen in the "Summary Delta" and "Summary Retail Delta" tab.

SUPPLEMENTAL RESPONSE NO. 8-6:

Please see the attached files which update Pro Forma Adjustments #5, #6, and #7.

SECOND SUPPLEMENTAL RESPONSE NO. 8-6

Please see the attached files which update Pro Forma Adjustments #7 and #42.

PERSON RESPONSIBLE: Kevin Kochems

DOMINION ENERGY SOUTH CAROLINA, INC.
ACCOUNTING & PRO FORMA ADJUSTMENTS
RETAIL ELECTRIC
OPERATING EXPERIENCE

ADJ. #	DESCRIPTION	REVENUES	PURCHASED POWER	O & M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 21%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	MATERIAL & SUPPLIES	OPEBS	ADIT	DEFERRED DEBT/CRDT	WORKING CASH
kcc	1 Annualize Wages, Benefits and Payroll Taxes			(1,222,742)		(86,197)	65,447	261,133								(152,843)
krk	2 Incentive Compensation Adjustment			(1,223,524)		(106,183)	66,485	265,277								(152,941)
kcc	3 Annualized Health Care			3,054,003			(152,700)	(609,274)								381,750
kcc	4 Remove Employee Clubs Investment and Expenses				(134,148)		6,707	26,763	(5,486,536)	(2,435,547)						-
kcc	5 Annualize Depreciation Based on Current Rates															-
kcc	6 Depreciation Study				10,965,767		(548,288)	(2,187,671)		10,986,205						-
kcc	7 Annualize Property Tax				6,849,588		(342,479)	(1,366,493)		6,849,588						-
kcc	8 Annualize Insurance Expense			(1,733,509)		566,899	(28,345)	(113,096)								-
krk	9 Capital Cost Rider Adjustment	624,525,738			(126,922,941)	3,115,759	37,416,646	101,196,756	(2,604,708)	(1,213,905)						(216,689)
krk	10 Remove Amounts Associated with DSM	(31,721,565)		(13,318,465)		(158,259)	(912,242)	(3,639,846)								-
kcc	11 Annualize Other Post Employment Benefits (OPEB)			133,618			(6,681)	(26,657)				(3,011,807)			(100,383)	16,702
krk	12 Adjust Fuel Inventory						-	-								-
kcc	13 To Remove SRS Refund Reversal Impact from Revenue	(869,830)				(4,388)	(43,272)	(172,656)								-
kcc	14 Normalize Test Year Purchase Power from Genco		(12,152,320)				607,616	2,424,388								-
kcc	15 Genco Excess Deferred Income Taxes		(1,797,594)				89,880	358,620							(2,698,189)	-
krk	16 Voluntary Retirement Program			(2,155,180)		(132,470)	114,383	456,386								(269,398)
krk	17 Dominion Energy Services Expense			8,092,201			(404,610)	(1,614,394)								1,011,525
krk	18 Synergy Savings			(823,471)			41,174	164,282								(102,934)
kcc	19 Storm Remediation Cost Deferral			8,779,937			(438,997)	(1,751,597)							26,357,372	1,097,492
kcc	20 Storm Damage Remediation Rider Reinstatement			9,839,863			(491,993)	(1,963,053)							(7384,817)	1,229,983
kcc	21 Tree Trimming and Vegetation Management Accrual			3,786,426			(189,321)	(755,392)								473,303
kcc	22 Turbine Major Maintenance Accrual			10,295,022			(514,751)	(2,053,857)								1,286,878
kcc	23 VCS Outage Accrual			68,552			(3,428)	(13,676)								8,569
krk	24 Deferred Transmission				12,472,030	10,739,348	(1,160,569)	(4,630,670)							45,720,928	-
kcc	25 Adjust Test Year Taxes						-	(39,558,398)						(9,444,590)		-
krk	26 Tax Reform Refund				(488,960)		24,448	97,548							(733,929)	-
kcc	27 Amortize Capacity Purchases		(10,069,846)				503,492	2,008,934							1,035,608	-
kcc	28 Environmental Compliance Study			(91,911)			4,596	18,336								-
kcc	29 Kipstone Gain				(472,729)		23,686	94,309							(354,783)	-
kcc	30 Critical Infrastructure Protection Costs Deferral			4,234,330	525,612		(237,997)	(949,609)							14,289,673	529,291
kcc	31 Fukushima Nuclear Regulatory Commission Requirements Deferral			436,365			(21,818)	(87,055)							2,947,427	54,546
kcc	32 VCS Cyber Security Deferral			1,116,413	555,759		(83,609)	(333,598)							5,019,859	139,552
krk	33 Facility Charge	(501,386)				(2,502)	(24,954)	(99,567)								-

DOMINION ENERGY SOUTH CAROLINA, INC.
ACCOUNTING & PRO FORMA ADJUSTMENTS
RETAIL ELECTRIC
OPERATING EXPERIENCE

	ADJ. #	DESCRIPTION	REVENUES	PURCHASED POWER	O & M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 21%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	MATERIAL & SUPPLIES	OPEBS	ADIT	DEFERRED DEBT/CRDT	WORKING CASH
kcc	34	Amortization of Columbia & Charleston Franchise Agreements				(4,097,469)		204,873	817,445								
kcc	35	Unrecovered Plant Amortization				385,065		(19,253)	(76,820)							1,155,964	-
krk	36	Advanced Metering Infrastructure				2,710,980	304,976	(150,798)	(601,683)	-	-					409,024	-
kcc	37	Local Business Offices			(412,850)	(155,410)		28,413	113,368	(1,542,361)							(51,606)
kcc	38	Rate Case Expenses			280,048			(14,002)	(55,870)								35,006
krk	39	PSC Support Fees						-	-								-
krk	40	Projected Capital Spend															
krk	41	Tax Effect of Annualized Interest															
krk	42	Discovery Updates															
		Total	591,432,756	(24,015,760)	219,135,124	(97,906,857)	14,236,981	33,197,182	44,802,692	150,040,675	142,583,630	62,567,244	2,569,050	-	(64,462,775)	96,291,665	38,088,385